ABSTRACT OF THE DISCLOSURE

There is disclosed an image processing method in which a user photographs an image including an object to be extracted, uses an instruction selection unit, and the like to designate an extraction range, and performs extraction by an object extraction circuit. The image data of an extracted object area is compressed/encoded, and stored together with photographing conditions into a storage unit. Subsequently, a background image is photographed or inputted. While the background image is displayed, the previously extracted object image is read from the storage unit. To suppress a difference in gradation and hue between the background image and the object image, the gradation and hue of the object image are adjusted, mixing and smoothing with the background image are performed in the vicinity of an object outline, and the object image is overwritten, synthesized, and displayed on the background image. The position and size of the object image are adjusted according to a user's instruction. Synthesized image data is recorded in a recording medium.